

Wyoming Office of State Lands and Investments

Jenifer E. Scoggin
Director
June 20, 2023



Wyoming
Office of State Lands
& Investments

Office of State Lands & Investments

- Administrative Arm of the **State Board of Land Commissioners** and the **State Loan and Investment Board**



- Statutory responsibility to carry out the policy directives of the Boards



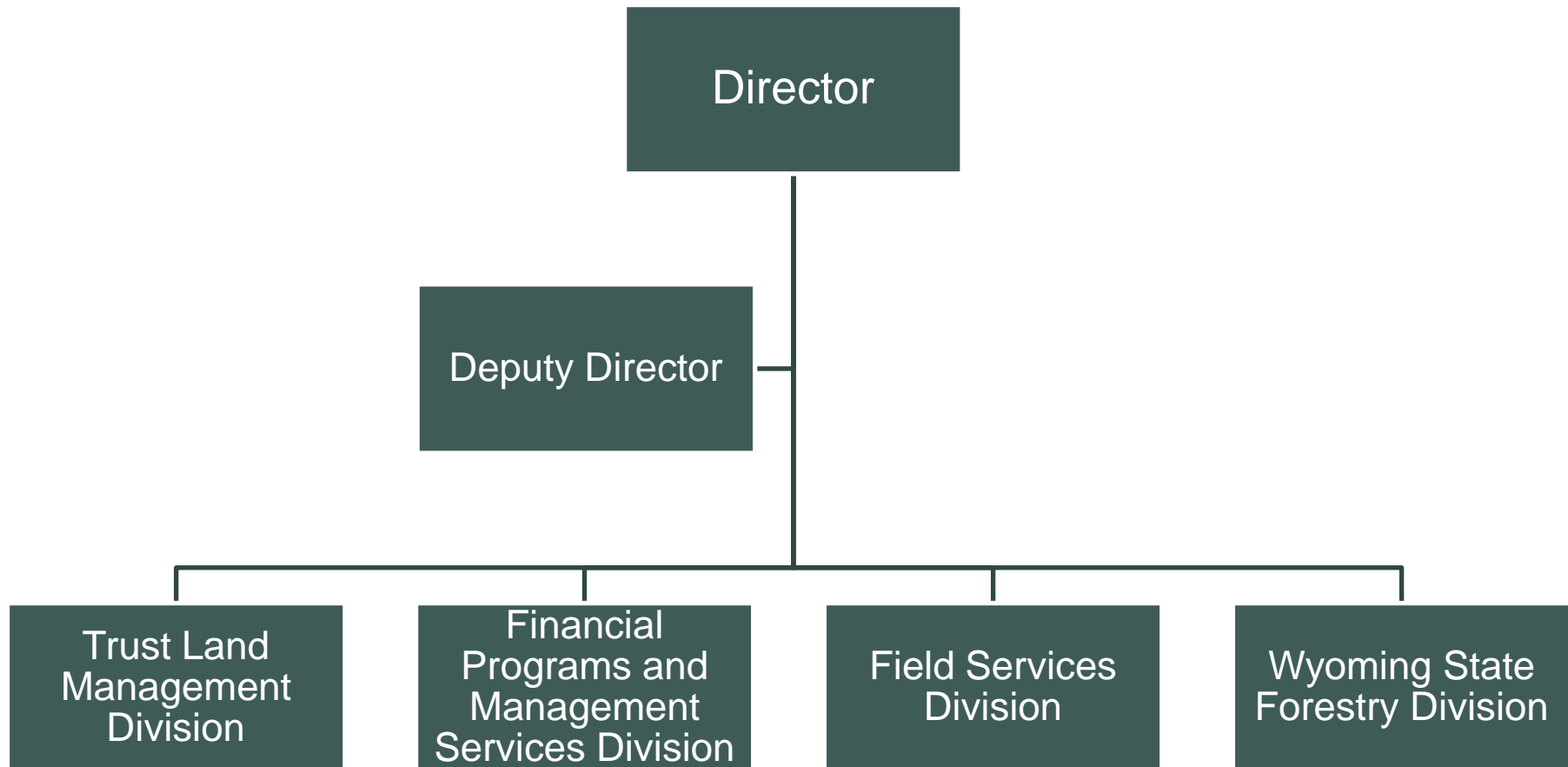


Mission Statement

**Effectively managing natural resources and funds for
current and future generations**



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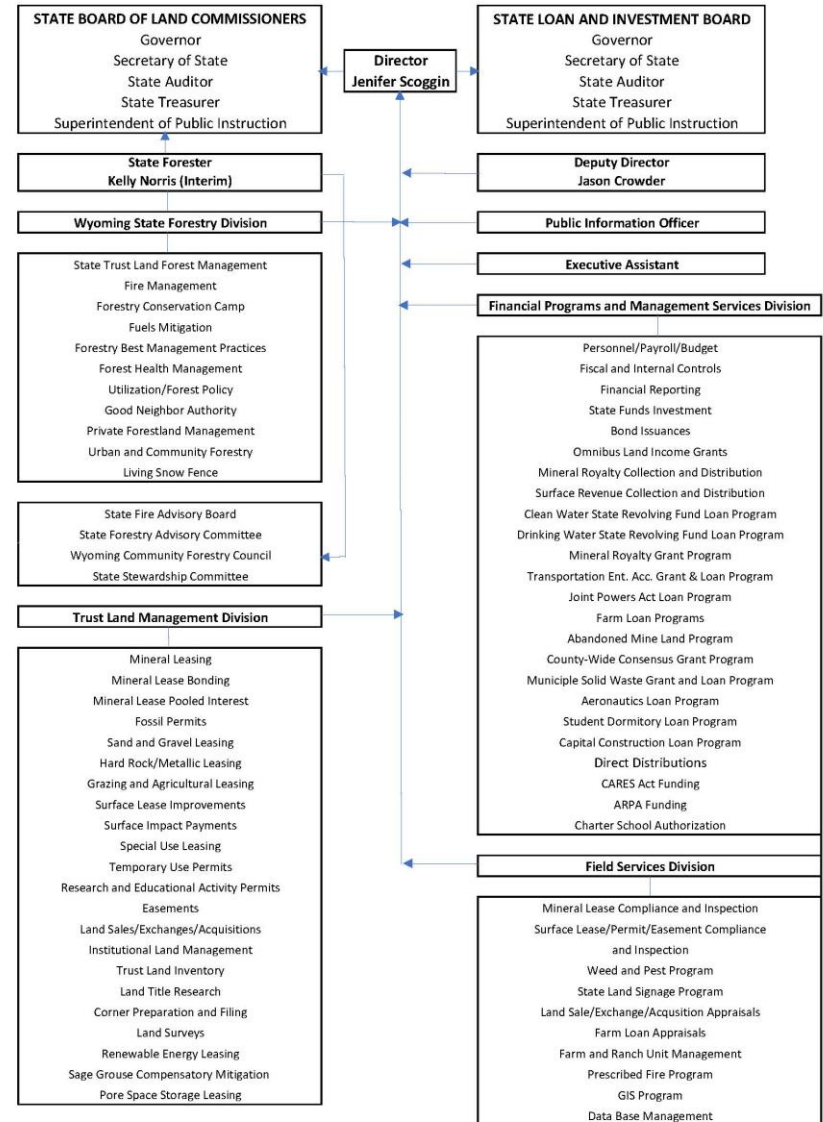


• OSLI Staff

- **Director's Office**
 - 4 Full Time
- **Trust Land Management Division**
 - 15 Full Time
- **Financial Programs and Management Services Division**
 - 19 Full Time
- **Field Services Division**
 - 14 Full Time
- **Wyoming State Forestry Division**
 - 47 Full Time
 - 6 AWEC
 - 4 Seasonal

109 Total Staff

Office of State Lands and Investments Organizational Chart



May 1, 2023



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State Board of Land Commissioners (SBLC)

Created by
Wyoming's
Constitution
(Article 18, Section 3)

OSLI Director
=
Secretary of the
Board

State Loan and Investment Board (SLIB)

Created by Wyoming
Statute
(W.S. § 11-34-102)

OSLI Director
=
Chief Executive
Officer of the Board



State Board of Land Commissioners

(“SBLC”)



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Impact.

5 Year Revenue: \$818 Million

K-12 Funding: \$548 Million



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US History

1780s ... Our Founding Fathers consider the concept of lands for schools.



~1780s
America's Founders



~1860s
American Schoolchildren



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States with Trust Land



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History and Nature of Trust Land

Organic Act

- Approved by Congress on July 25, 1868
- Provided temporary government for the Territory of Wyoming
- Provided that sections numbered 16 and 36 in each township in the territory shall be reserved for the purpose of public schools in the state

6	5	4	3	2	1	6	5	4	3	2	1	6	5	4	3	2	1
7	8	9	10	11	12	7	8	9	10	11	12	7	8	9	10	11	12
18	17	16	15	14	13	18	17	16	15	14	13	18	17	16	15	14	13
19	20	21	22	23	24	19	20	21	22	23	24	19	20	21	22	23	24
30	29	28	27	26	25	30	29	28	27	26	25	30	29	28	27	26	25
31	32	33	34	35	36	31	32	33	34	35	36	31	32	33	34	35	36



History and Nature of Trust Land

Wyoming Constitution

- Constitutional Convention September 2, 1889 to September 30, 1889
- Ratified by the Wyoming voters on November 5, 1889
- **Article 7:**
 - All money arising from the sale or lease of school lands are perpetual funds and only the annual income from the funds can be appropriated
 - All funds belonging to the state for public school purposes is deemed trust funds in the care of the State, which is kept for the exclusive benefit of public schools
 - Income from perpetual funds and rents from unsold school lands is exclusively applied to the support of free schools in every county.



Act of Admission Framework

Wyoming Act of Admission, Section 5:

- ❑ All lands herein granted for educational purposes shall be disposed of only at public sale... But said lands may... be leased for mineral, grazing, agricultural, or other purposes, provided that the term of agricultural and grazing leases shall not exceed 10 years; and such land shall not be subject to preemption, homestead entry, or any other entry under the laws of the United States, whether surveyed or unsurveyed, but shall be reserved for school purposes only.



Constitutional Framework

Wyoming Constitution, Article 18, Section 1:

- ❑ The State of Wyoming accepts the grants of lands made by the United States to the state, for educational purposes, for public buildings and institutions and for other objects

Wyoming Constitution, Article 18, Section 3:

- ❑ Board of Land Commissioners shall have direction, control, disposition and care of all lands granted to the state

State Trust Land is owned by the State and held in a Trust for the benefit of public education in the State and other state institutions. The Board of Land Commissioners is the trustee of trust lands.



Board of Land Commissioners

The Board of Land Commissioners is composed of the Governor, Secretary of State, State Auditor, State Treasurer, and Superintendent of Public Instruction.

The Board is constitutionally charged with optimizing revenue from state trust lands to support public education and beneficiary institutions, while concurrently striving to protect, conserve, and maintain the lands so they may be used by future generations.



Constitutional Framework

- Article 18, Sec. 4:

The Legislature:

Enacts the necessary laws for the sale, disposal, leasing or care of all lands granted to the State

Passes laws for suitable safekeeping, transfer and disbursement of land grant funds



History and Nature of Trust Land

Act of Admission

- Admitted the State of Wyoming into the Union
- Approved July 10, 1890
- Ratified the Wyoming Constitution
- Again addresses the granting of Sections 16 and 36 of each township to the state for purpose of maintaining common schools
- School lands may only be disposed of at public auction
- Granted certain lands to support other state purposes – UW, Vets Home, State Hospital, etc.
- Legislature has the power to regulate leasing of lands so long as the term of agricultural and grazing leases shall not exceed 10 years



Direction, control, disposition and care

W.S. 36-2-107 (a)

The Board of Land Commissioners shall have the power and authority to promulgate and adopt rules and regulations not inconsistent with the laws of the state, as it may from time to time deem necessary in the direction, control, disposition and care of all state lands, and to preserve the value of the land and to recognize the fiduciary duties of the state land office.



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Statutory Principles:

- State land trust shall be managed under a total asset management policy.
- State land trust is intergenerational and must be managed with a focus on protecting the corpus for the long term.
- Trust land should remain a substantial component of the trust portfolio.
- All leases shall provide a fair market value return, considering the lessees' management practices and risk.
- Investment policies must protect permanent land fund from effects of inflation.



State Trust Land Beneficiaries

Land Grant/Fund	Beneficiary
Common School	Wyoming Pubic Schools K-12
University	University of Wyoming
Fish Hatchery	Wyoming Game and Fish
Agricultural College	University of Wyoming
Deaf, Dumb, Blind	School for the Deaf
Poor Farm	
Penitentiary	Penitentiary
Public Buildings at the Capitol	Public Buildings at the Capitol Complex
Penal, Reform, or Education Institutions	Retirement Center, Honor Farm, Women's Center, Conservation Camp, Youth Treatment Center, Boys and Girls School
Insane Asylum	Wyoming State Hospital
Miner's Hospital	Miner's Hospital Board
Soldiers and Sailors Home	Veteran's Home
State Law Library	State Law Library
State Library	State Library
Omnibus (SPEP&R Grant Lands – State Charitable, Education, Penal and Reform Institutions)	Department of Health, Department of Corrections, Department of Family Services

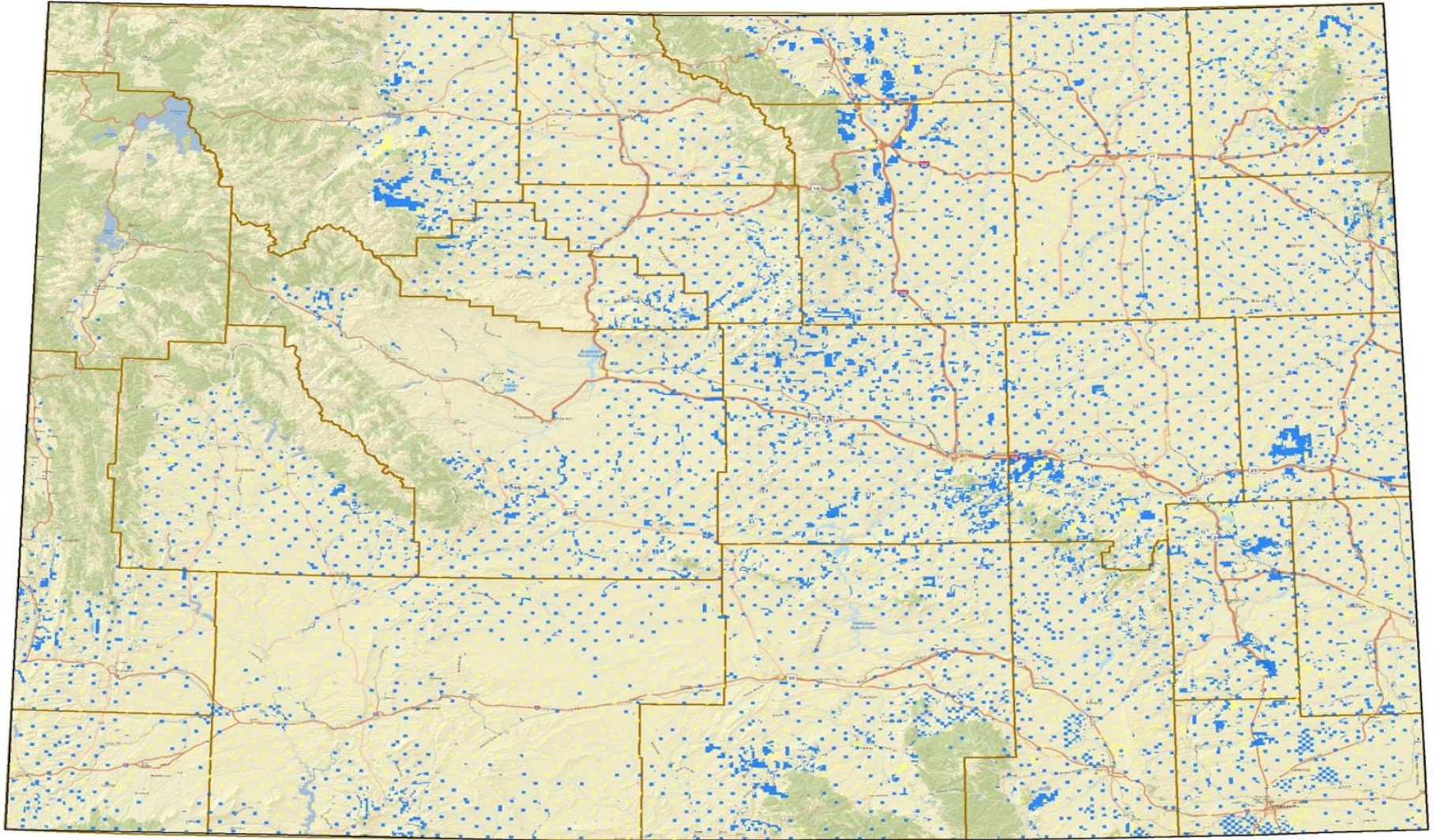


The Trust Assets

- Trust Land
 - 3.4 million surface acres
- Trust Minerals
 - 3.9 million mineral acres
- State Permanent Land Fund
 - Over \$4.5 billion



● Wyoming State Trust Lands



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●Board Managed Ranches



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The “How”

- Grazing and Agricultural Leasing
- Easements
- Temporary Use Permits
- Special Use Leasing
- Land Sales, Exchanges, and Acquisitions
- Renewable Energy Leasing
- Mineral Leasing
- Forest Product Sales
- Carbon Capture Leasing

Always searching for opportunities for compatible uses



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Trust Land Management Objectives

- When OSLI evaluates courses of action with State Trust Land OSLI follows what are known as Trust Land Management objectives.
 - A proposal need not meet all objectives.
 - The objectives are listed in order of decreasing priority (highest to lowest).



Trust Land Management Objectives

1. **Better meet the beneficiaries' short and/or long term objectives:**
 - a. **Revenue-**
 - Improve income generating potential
 - Alone or in combination with other state lands
 - Single or multiple uses
 - b. **Investment Value-**
 - Improve returns
 - Improve portfolio diversification
 - Improve appreciation potential
 - Improve intrinsic natural resource values (i.e. habitat, water)



Trust Land Management Objectives (cont.)

2. **Improve the manageability of the land asset:**
 - a. Consolidate ownership patterns
 - b. Leverage management resources of other agencies/entities
3. **Meet a specific school and/or community need:**
 - a. Improve stability
 - b. Provide growth opportunity
 - c. Improve access/recreational opportunity



Management Paradigm

State Trust Land



“Public” Land

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BLM/Forest Service

Optimize Revenue vs. Multiple Use & Sustained Yield



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State Trust Land Revenue



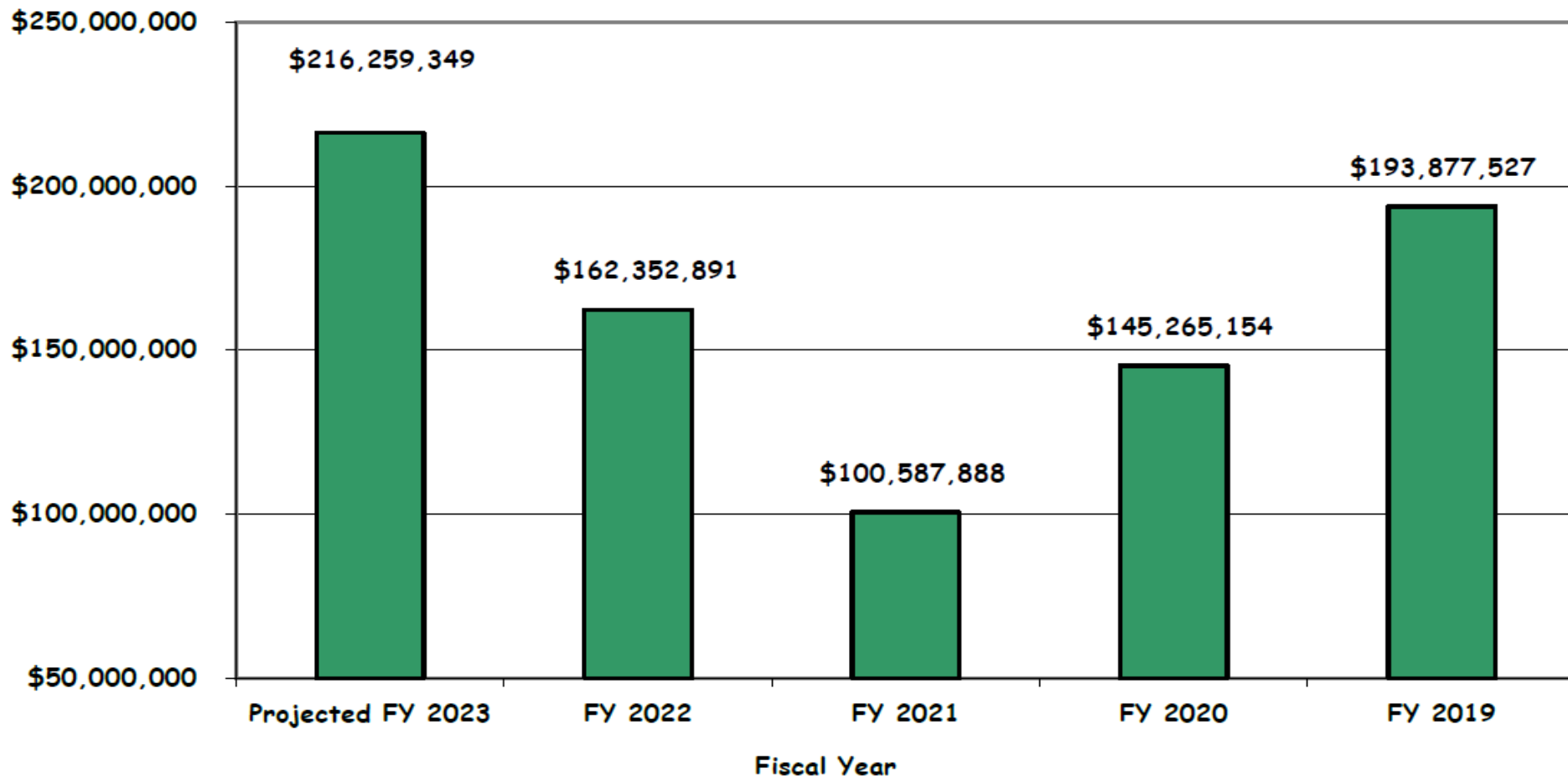
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Trust Land Earnings

- 86% of state trust lands are classified as “Common School Trust Lands,” more commonly referred to as “State School Sections” and support K-12 education
- 14% of state trust lands generate revenues to support other state institutions such as UW and the Veterans Home
- Grazing is the most prevalent use on state trust lands with approximately 4,000 grazing leases covering over 98% of state trust land surface acreage. We rely on our grazing lessees to help us manage our surface acres.
- Mineral development generates the most income for the state trust land beneficiaries

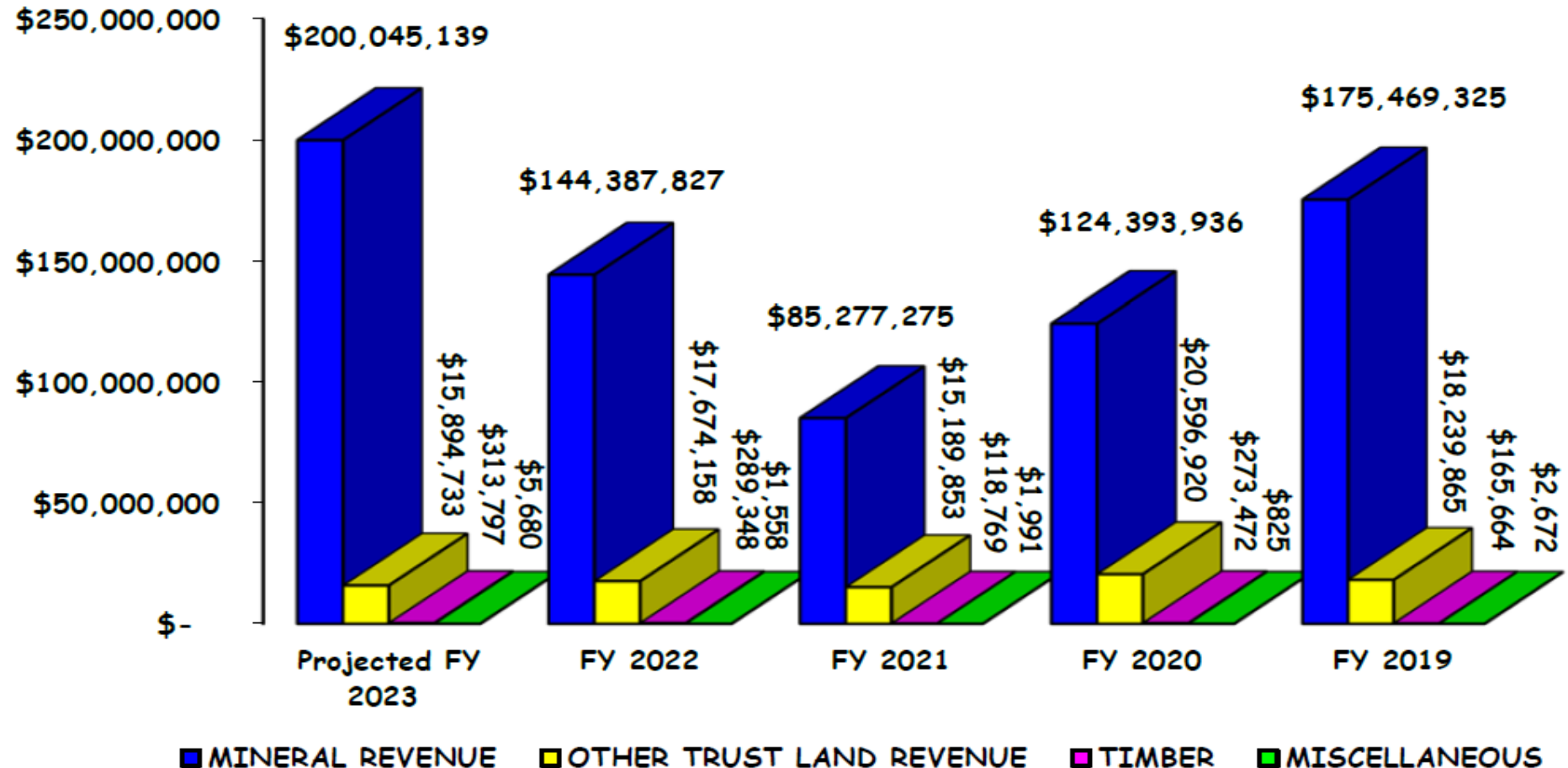


Five Year Trust Land Fiscal Year Revenue Summary, as of December 31, 2022

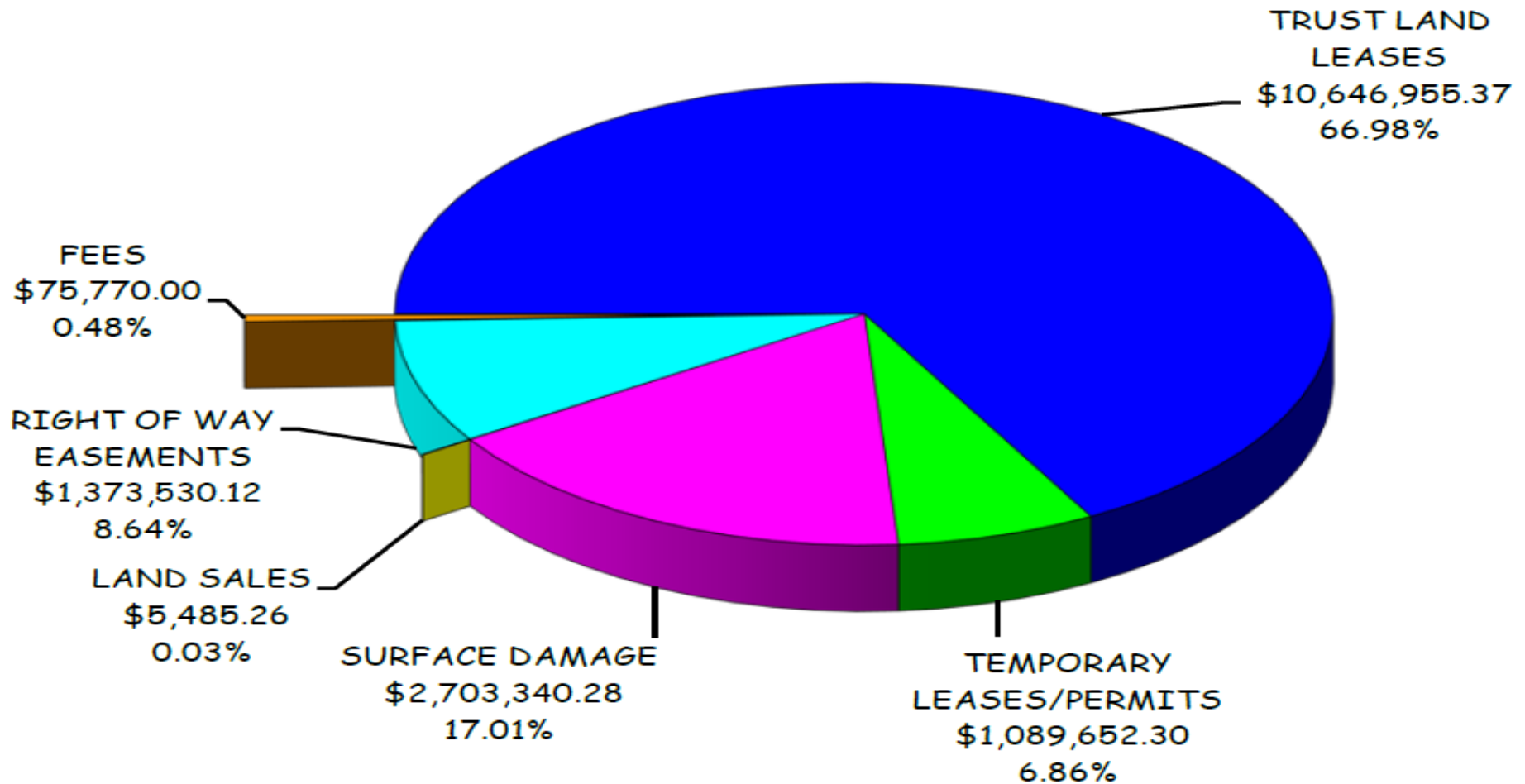


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Fiscal Year Trust Land Revenue Summary by Category, as of December 31, 2022



Projected Fiscal Year 2023 \$15,894,733 Other Trust Land Revenue, as of December 31, 2022



Wyoming OSLI Mineral Leasing

Projected FY 23 Revenue

- \$216,259,349 Total Trust Land Revenue
- \$25,214,447 mineral revenue (12% of total)
- **\$174,830,689 oil and gas revenue** (81% of total)

9th highest

\$\$ spent per pupil nationwide

(\$3,612/pupil higher than US avg.)

<https://worldpopulationreview.com/state-rankings/per-pupil-spending-by-state>

Per Pupil Spending by State 2023



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Full Revenue Generation Obstacles

- Statutory limitations related to commercial and residential development and compensation for improvements
- Legislative grazing fee formula discounts from market rates
- Needed Legislative authorization for sister agency use of state trust lands
- No compensation structure when the general public utilizes state trust land for recreational purposes
- Public Land perception directing land management decisions



Current New Revenue Generation Efforts

- Develop and maximize commercial opportunities in known markets (Teton County, Casper, Cheyenne...)
- Further develop renewable energy leasing
- Further develop pore space and carbon capture leasing
- Develop conservation leasing

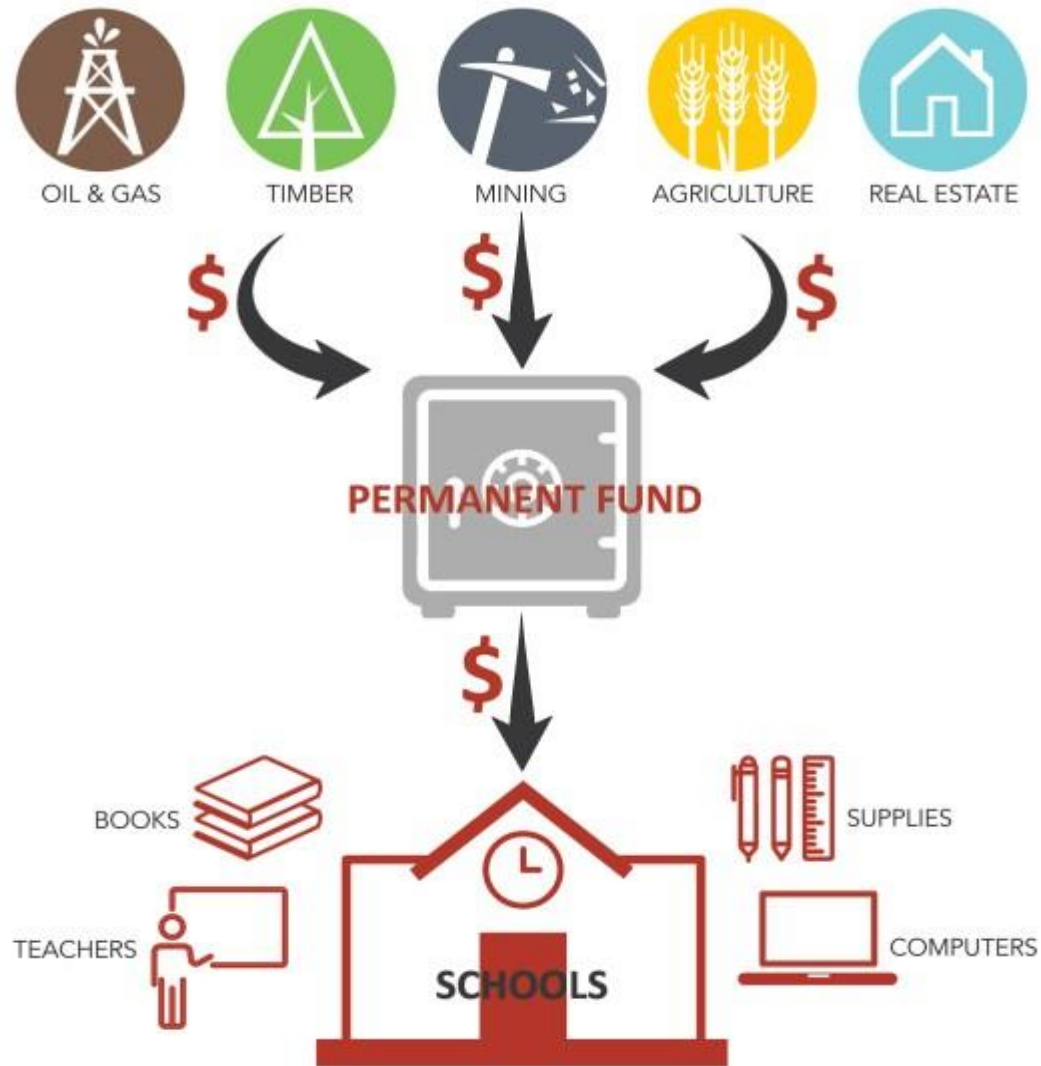


Highway 390 Parcel – Teton County -

Previous Permittee	Annual Rate	Current Permittee	Annual Rate
Watsabaugh Excavation	\$1,119.30	Arbor Works Tree Service	\$50,400.00
Growin' Green	\$4,686.30	Hole Landscaping	\$68,760.00
THL II, Inc.	\$5,904.00	Yellow Iron Excavating	\$77,760.00 plus a 2.5% annual escalator
Yellow Iron Excavating	\$7,047.90	Wilson Investments	\$329,580.00
Eastman Excavation	\$1,340.70	Basecamp Hospitality	\$60,000.00 plus 10% revenue share for gross revenue over \$600,000.00
Arbor Works Tree Service	\$1,722.00	Teton County Road and Levee	Five year total: \$62,240.00
Trees R Us	\$2,349.30		
Wyoming Balloon Company	\$5,854.80		
Teton County Road and Levee	\$2,349.30		
ANNUAL TOTAL	\$32,373.60	2023 TOTAL	\$593,540.00
FIVE YEAR TOTAL	\$161,868.00	FIVE YEAR TOTAL	\$3,376,432.12



Questions??



Thank You!

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